

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 3, 2013

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**Shenandoah Telecommunications Company**

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(Exact name of registrant as specified in its charter)

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**Virginia**  
(State or other jurisdiction of incorporation)

**0-9881**  
(Commission File Number)

**54-1162807**  
(IRS Employer Identification No.)

**500 Shentel Way**  
**P.O. Box 459**  
**Edinburg, VA**  
(Address of principal executive offices)

**22824**  
(Zip Code)

Registrant's telephone number, including area code: (540) 984-4141

**Not applicable**

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(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2-(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

The following information is furnished pursuant to Regulation FD: On May 3, 2013, Shenandoah Telecommunications Company held its first quarter 2013 earnings release conference call. The materials attached hereto as Exhibit 99.1 were utilized during the conference call. These materials are also available on the Company's website.

These materials may contain forward-looking statements about Shenandoah Telecommunications regarding, among other things, our business strategy, our prospects and our financial position. These statements can be identified by the use of forward-looking terminology such as "believes," "estimates," "expects," "intends," "may," "will," "should," "could," or "anticipates" or the negative or other variation of these or similar words, or by discussions of strategy or risks and uncertainties. Shenandoah Telecommunications undertakes no obligation to revise or update such statements to reflect current events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

**Item 9.01 Financial Statements and Exhibits.**

**(c) Exhibits**

The following exhibit is furnished with this Current Report on Form 8-K.

**99.1 First Quarter 2013 Earnings Release Conference Call Slides**

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SHENANDOAH TELECOMMUNICATIONS COMPANY  
(Registrant)

May 3, 2013

/s/ Adele M. Skolits

Adele M. Skolits  
Vice President - Finance and  
Chief Financial Officer  
(Duly Authorized Officer)

Exhibit 99.1



**1Q 2013  
Earnings Conference Call**

May 3, 2013

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# Safe Harbor Statement

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This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things, our business strategy, our prospects and our financial position. These statements can be identified by the use of forward-looking terminology such as “believes,” “estimates,” “expects,” “intends,” “may,” “will,” “should,” “could,” or “anticipates” or the negative or other variation of these similar words, or by discussions of strategy or risks and uncertainties. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from the Company’s expectations and projections. Important factors that could cause actual results to differ materially from such forward-looking statements include, without limitation, risks related to the following:

- Increasing competition in the communications industry; and
- A complex and uncertain regulatory environment.

A further list and description of these risks, uncertainties and other factors can be found in the Company’s SEC filings which are available online at [www.sec.gov](http://www.sec.gov), [www.shentel.com](http://www.shentel.com) or on request from the Company. The Company does not undertake to update any forward-looking statements as a result of new information or future events or developments.



# Use of Non-GAAP Financial Measures

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Included in this presentation are certain non-GAAP financial measures that are not determined in accordance with US generally accepted accounting principles. These financial performance measures are not indicative of cash provided or used by operating activities and exclude the effects of certain operating, capital and financing costs and may differ from comparable information provided by other companies, and they should not be considered in isolation, as an alternative to, or more meaningful than measures of financial performance determined in accordance with US generally accepted accounting principles. These financial performance measures are commonly used in the industry and are presented because Shentel believes they provide relevant and useful information to investors. Shentel utilizes these financial performance measures to assess its ability to meet future capital expenditure and working capital requirements, to incur indebtedness if necessary, return investment to shareholders and to fund continued growth. Shentel also uses these financial performance measures to evaluate the performance of its businesses and for budget planning purposes.



# Chris French

President and CEO



# Q1'13 Highlights

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## ■ Net Income Growth

- Increased 87% to \$8.4 million

## ■ Revenue Growth

- Revenue grew 10.4% over Q1'12 to \$76.0 million.

## ■ Customer Growth

	<u>3/31/12</u>	<u>3/31/13</u>	<u>Change</u>
Wireless	365,068	398,361	33,293
Cable (RGUs)	114,006	116,576	2,570

# Wireless Highlights

## ☐ Steady Postpaid growth

Postpaid customers up 5.3% in the last year

## ☐ Rapid Prepaid Growth

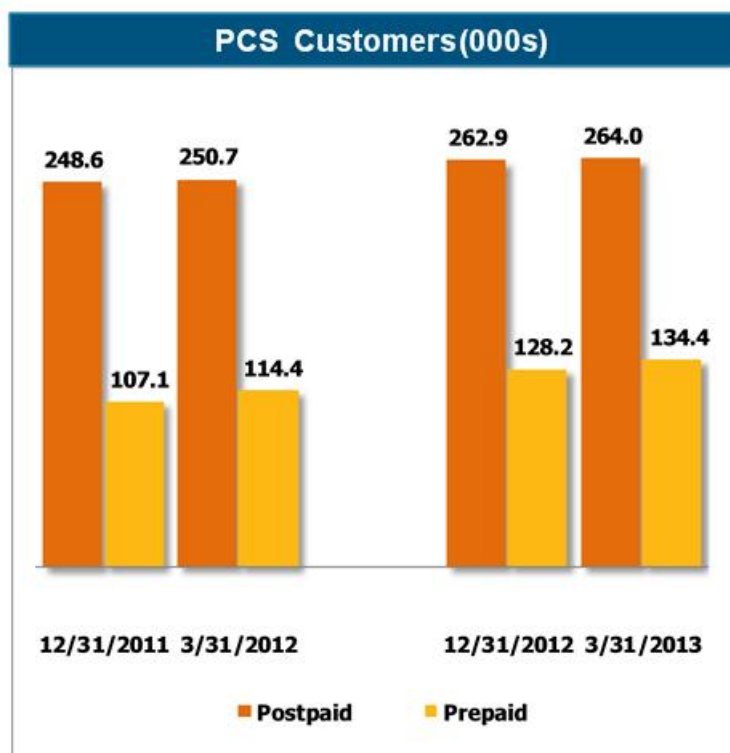
Q1'13 net additions of 6,227;  
134k prepaid subs at 03/31

## ☐ Operating Income Increase

Improvement of \$5.3 million,  
or over 50%

## ☐ Network Vision

70% of covered POPs have  
our 4G LTE service





# Cable Highlights

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## ■ Cable Upgrades

- Final planned upgrade to markets acquired in mid-2010 is nearing substantial completion.

## ■ RGU Growth

- Total RGU growth of 1.5% in Q1'13
- 116,576 RGUs at 3/31/2013



# Adele Skolits

VP of Finance and CFO

# Profitability

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**Net Income and Earnings Per Share**  
(\$ in thousands, except per share amounts)

	<u>3/31/12</u>	<u>3/31/13</u>
<b>Operating Income</b>	\$ 8,817	\$ 15,209
<b>Net Income</b>	\$ 4,466	\$ 8,351
<b>Basic and Diluted Earnings Per Share</b>	\$ 0.19	\$ 0.35

# Profitability

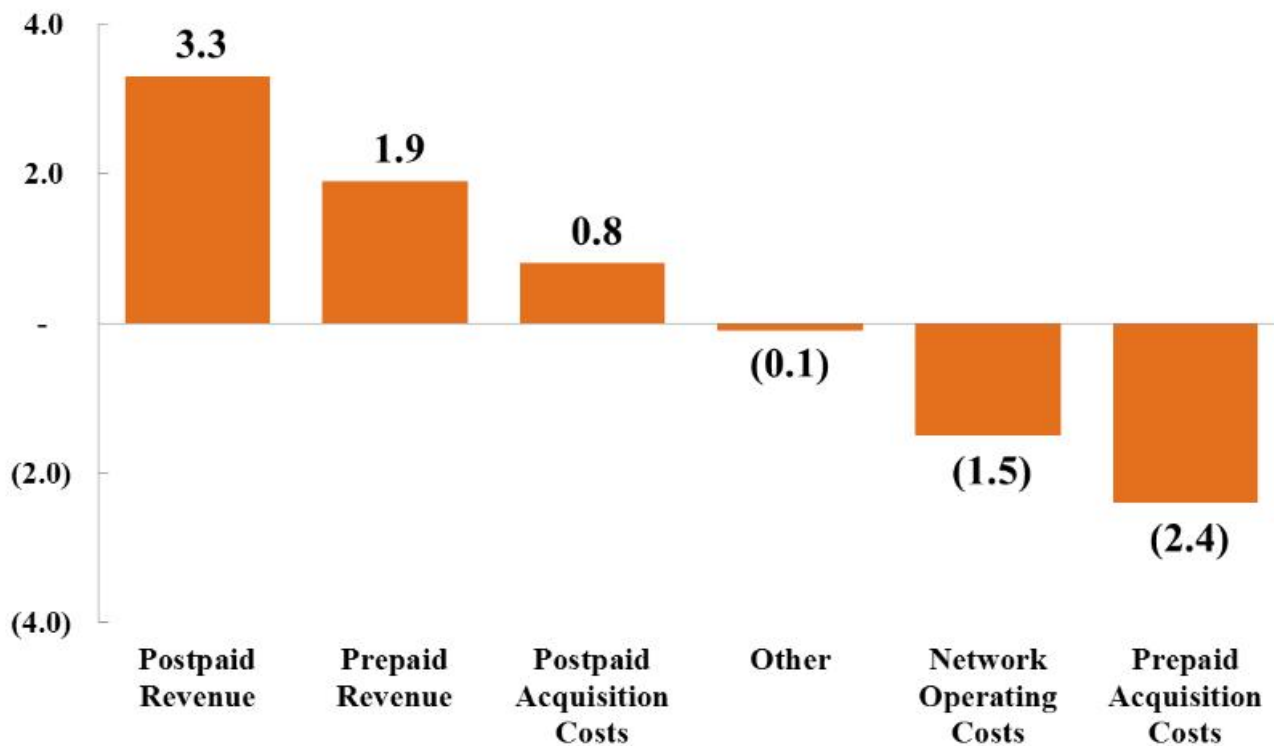
## Adjusted OIBDA (\$ thousands)

	<b>For the Quarter Ended:</b>		
	<b>3/31/12</b>	<b>3/31/13</b>	<b>Change</b>
Operating Income	8,817	15,209	6,392
Depreciation and Amortization	15,807	13,972	(1,835)
Adjusted prepaid results	1,695	-	(1,695)
Plus (gain) loss on asset sales	33	82	49
Share Based Compensation	357	372	15
<b>Adjusted OIBDA</b>	<b>26,709</b>	<b>29,635</b>	<b>2,926</b>

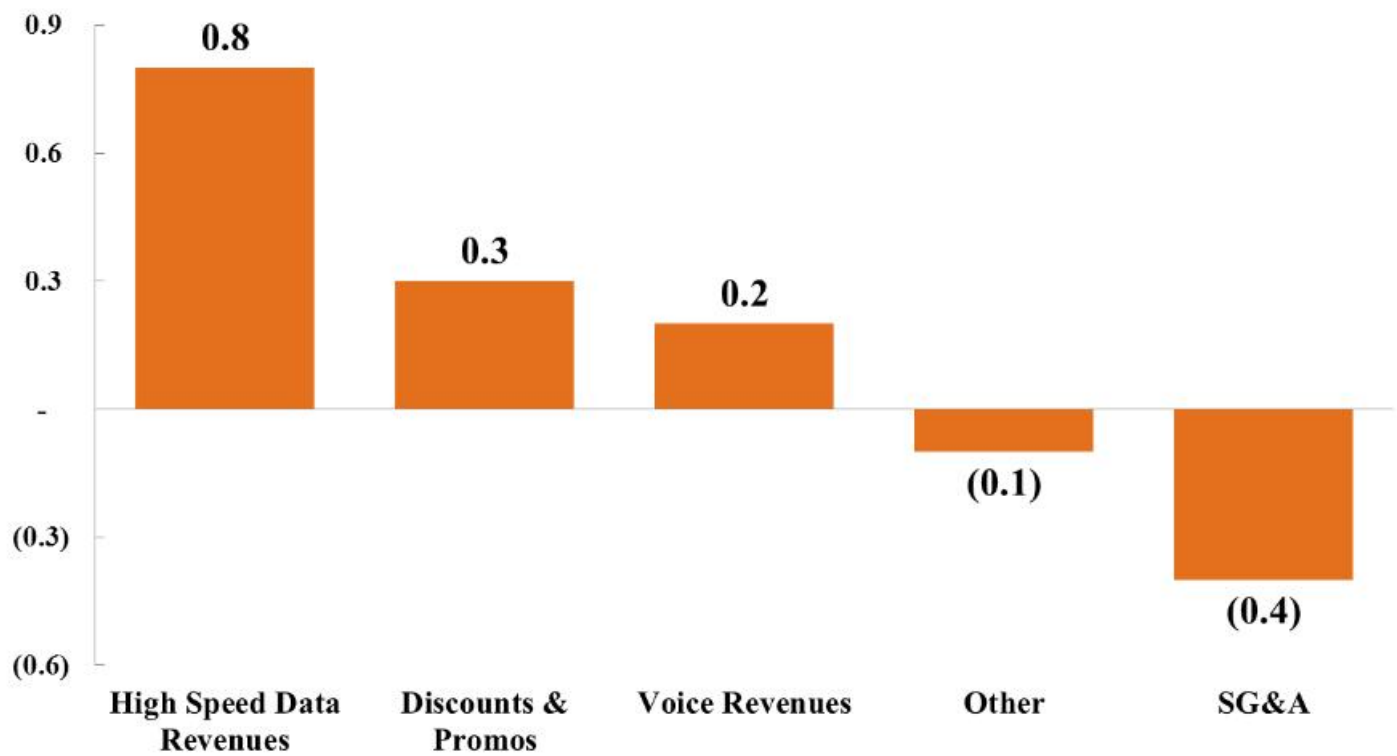
## Adjusted OIBDA by Segment (\$ millions)

<i>(in thousands)</i>	<b>Wireless</b>		<b>Cable</b>		<b>Wireline</b>	
	<b>Q1'12</b>	<b>Q1'13</b>	<b>Q1'12</b>	<b>Q1'13</b>	<b>Q1'12</b>	<b>Q1'13</b>
Operating Income	\$ 10.5	\$ 15.8	\$ (4.5)	\$ (3.4)	\$ 3.8	\$ 3.5
Depreciation and amortization	7.8	6.0	5.9	5.6	2.2	2.4
Adjusted prepaid results	1.7	-	-	-	-	-
Plus (gain) loss on asset sales	-	0.1	-	-	-	-
Share based compensation	0.1	0.1	0.1	0.1	0.1	0.1
<b>Adjusted OIBDA</b>	<b>\$ 20.1</b>	<b>\$ 22.1</b>	<b>\$ 1.5</b>	<b>\$ 2.3</b>	<b>\$ 6.1</b>	<b>\$ 6.0</b>
Percent Change		9.9%		53.3%		-1.6%

## Wireless Segment - Change in Adjusted OIBDA Q1'13 vs. Q1'12 (\$ millions)



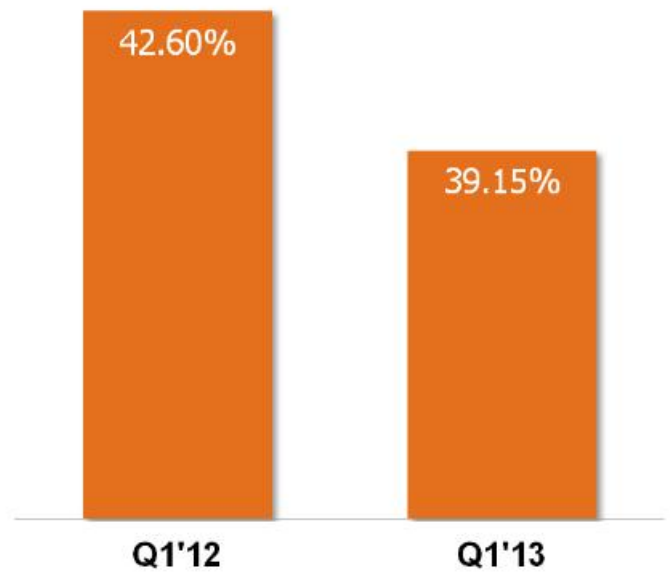
## Cable Segment - Change in Adjusted OIBDA Q1'13 vs. Q1'12 (\$ millions)



## Effective Tax Rate

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- ❑ Decrease in rate is the result of organizational changes undertaken in 2012
- ❑ These changes resulted in savings of approximately \$470k in Q1'13.







# Earle MacKenzie

EVP and COO

# Network Vision Scorecard - as of 4/29/13

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To Date:

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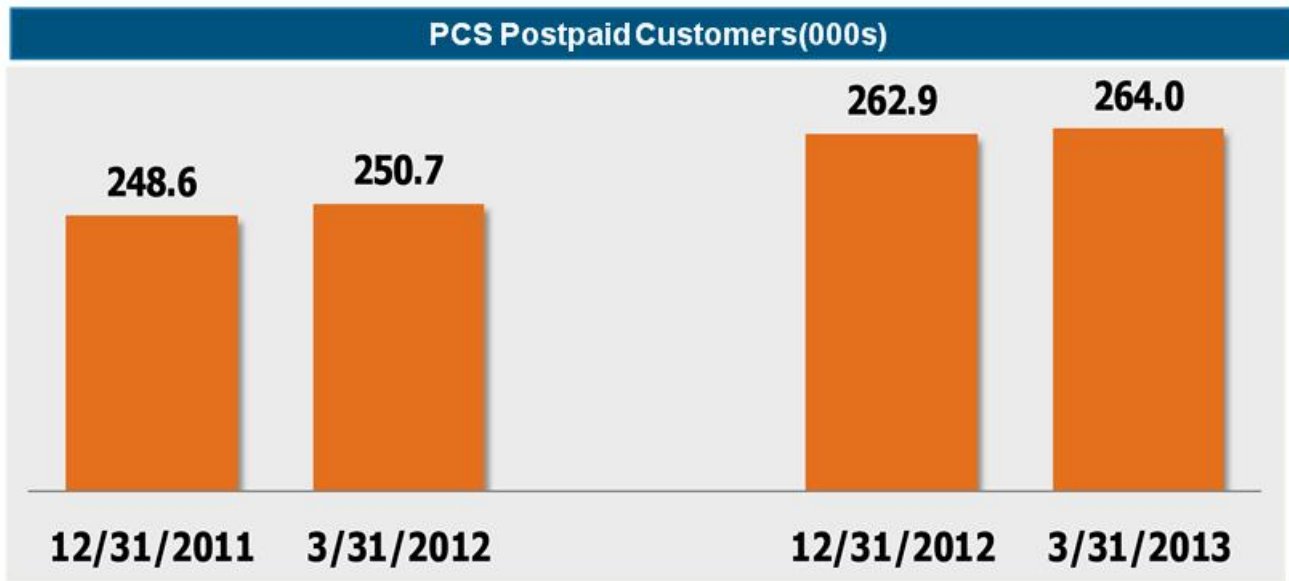
Leasing & Zoning Complete	456 out of 521 sites
Sites on air	328 out of 521 sites
Sites with 4G LTE launched	276 out of 521 sites

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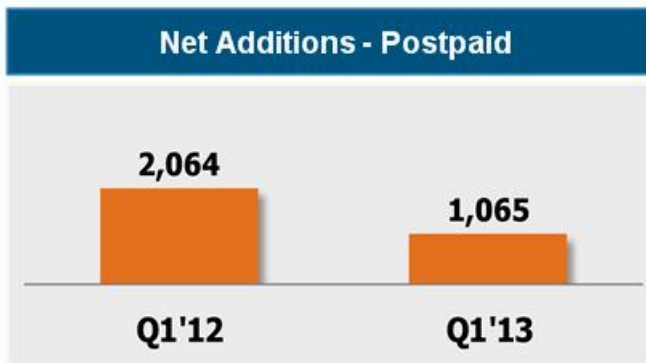
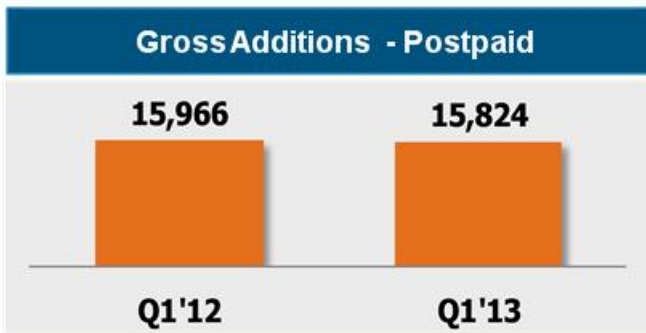
- Number of sites on air has increased 45% since YE 2012
- 4G LTE currently available to 75% of covered POPs
- 4G LTE service launched in 10 out of 13 local markets

## Key Operational Results - Wireless

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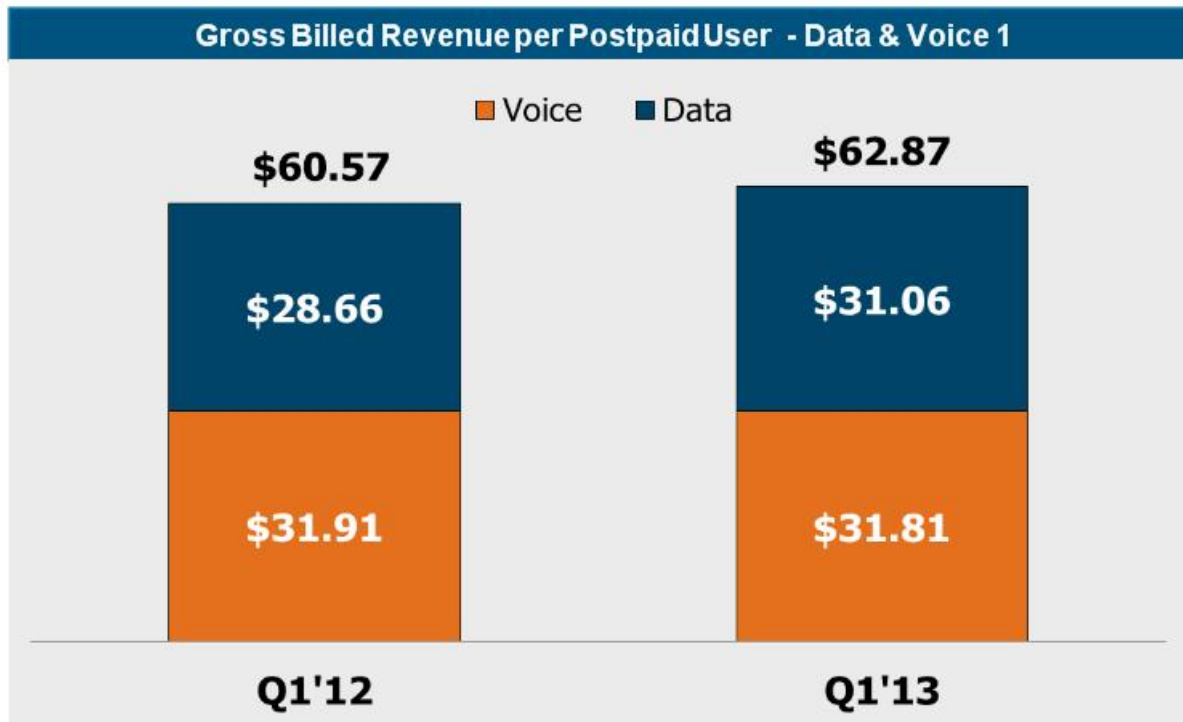


# Key Operational Results - Wireless



- Net adds of 1,065 in Q1 2013 versus 2,064 in Q1 2012
- Q1 2013 churn of 1.87% up from 1.86% in Q1 2012
- Shentel-controlled channels produced 45% of gross adds in Q1 2013 and 50% in Q1 2012

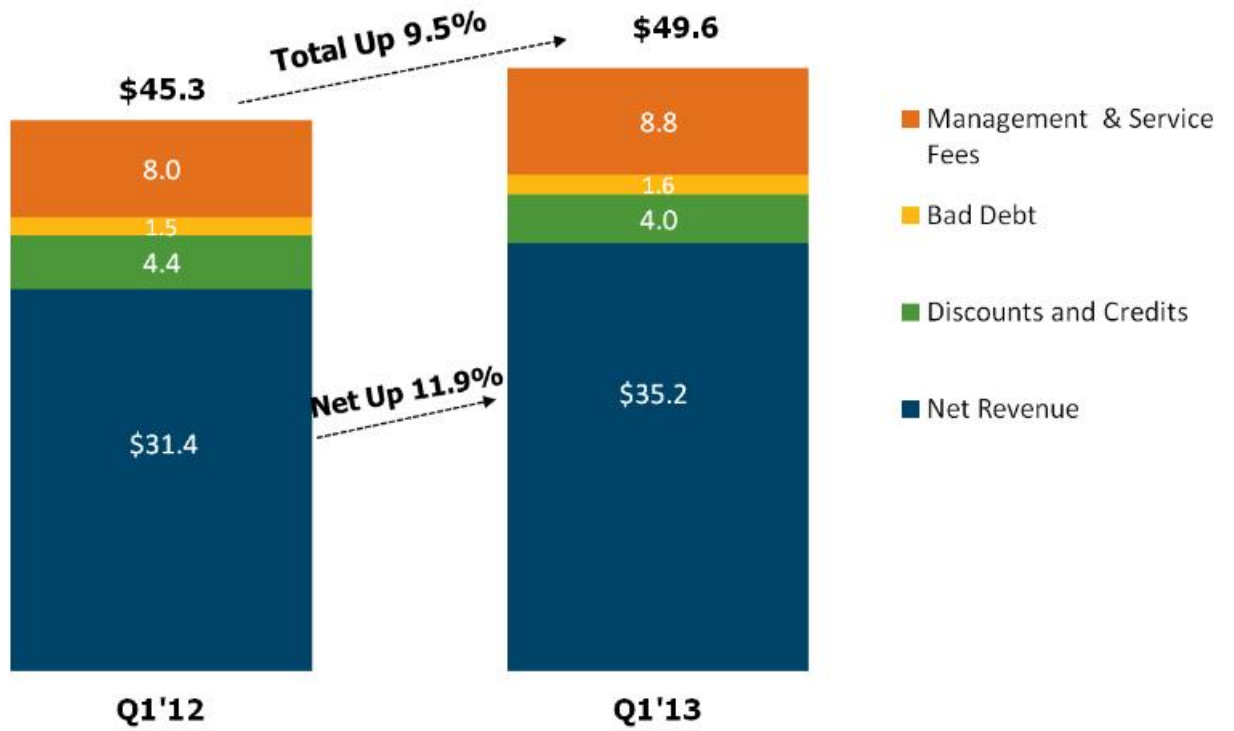
# Key Operational Results - PCS



1 - Before Service credits, bad debt, Sprint Nextel fees.

# PCS Revenues

## Annual Gross Billed Revenues - Postpaid (\$ millions)



# Postpaid PCS Customers Top Picks Q1 2013

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- Top Service Plans - 71% of Gross Adds
  - ▶ Everything Data 1500 - 54%
  - ▶ Everything Data 450 - 17%
- Top Devices - New Activations - All Channels
  - ▶ iPhone 26%
  - ▶ Samsung Galaxy S III 19%
  - ▶ HTC EVO 4G LTE 11%
- Smartphones made up 68% of the Postpaid base in Q1 2013, up from 65% in Q4 2012 and 57% in Q1 2012

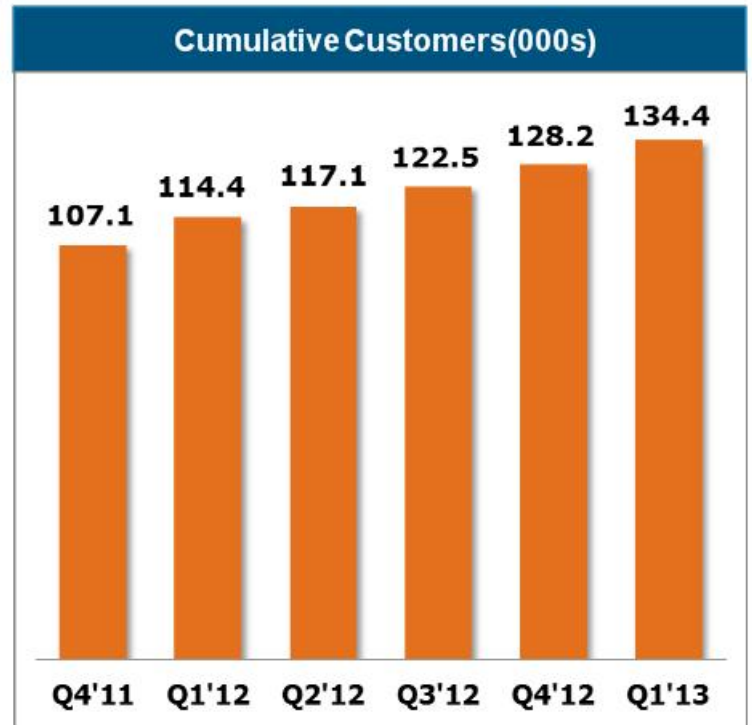
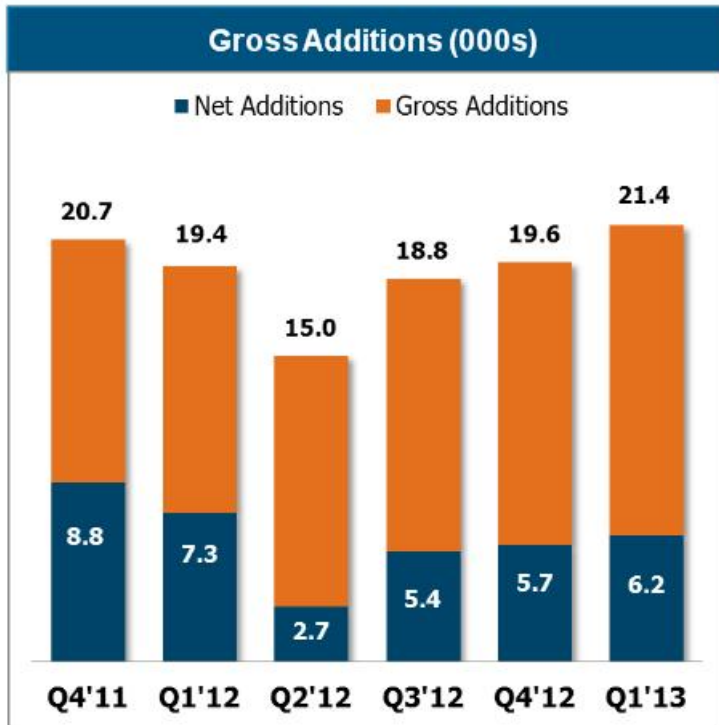
## iPhone Statistics - Q1'13

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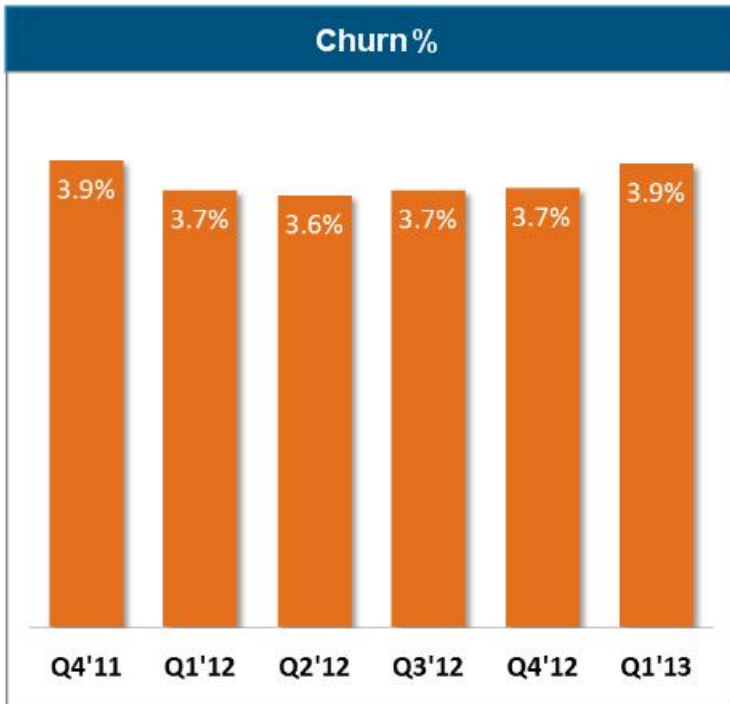
- 26% of Q1 Gross Adds
- 34% of iPhones were sold or upgraded in Shentel-controlled channels
- 21.2% of 03/31/2013 Postpaid customers had the iPhone, up from 17.9% at 12/31/12
  - 51% iPhone 4S
  - 32% iPhone 4
  - 17% iPhone 5



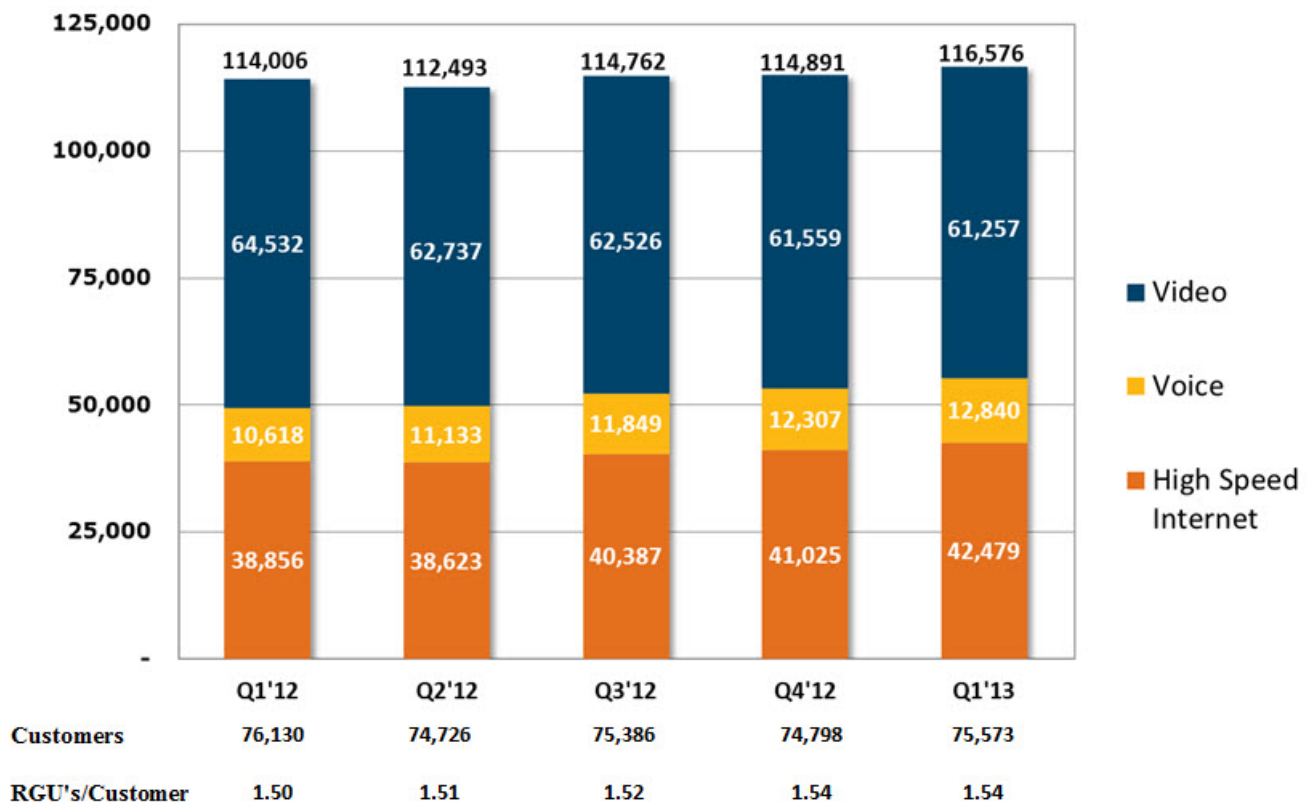
# PCS Prepaid Statistics



# PCS Prepaid Statistics

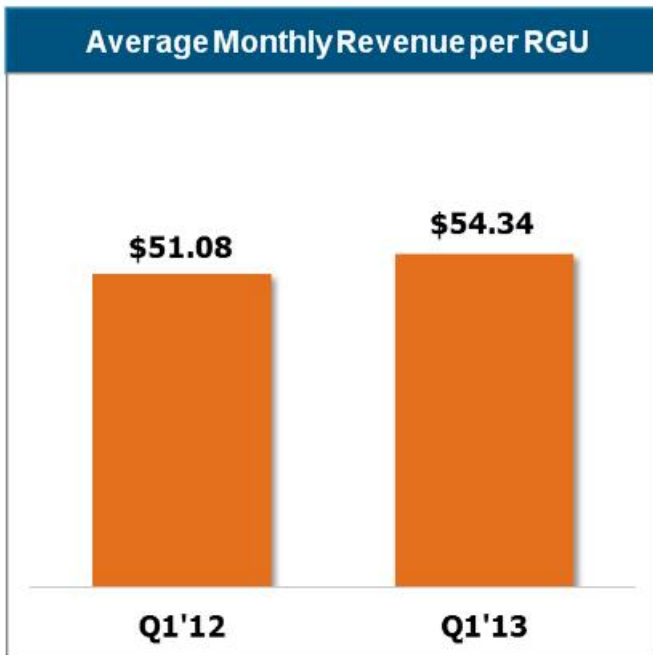


# Cable - RGU Growth by Quarter



# Cable Statistics

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\*Average monthly revenue per video subscriber was \$89.13 and \$102.38 for Q1 2012 and Q1 2013, respectively.

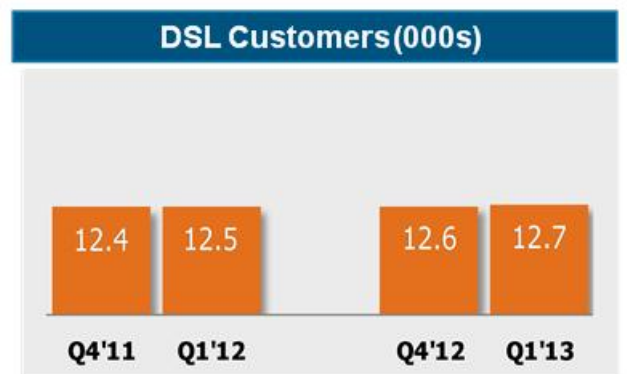
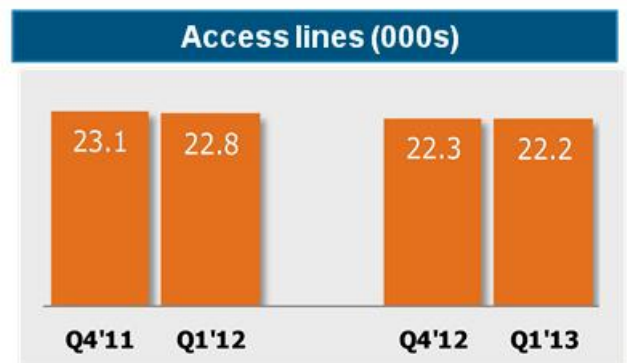
# Key Operational Results - Cable

	<b>Q1 2012</b>	<b>Q1 2013</b>
<b>Homes Passed</b>	<b>182,828</b>	<b>185,099</b>
<b>Customer Relationships</b>	<b>76,130</b>	<b>75,573</b>
<b>Video</b>		
Revenue generating units	64,532	61,257
Penetration	35.3%	33.1%
Digital video penetration	39.7%	39.6%
<b>High-speed Internet</b>		
Available Homes	156,791	164,789
Revenue generating units	38,856	42,479
Penetration	24.8%	25.8%
<b>Voice</b>		
Available Homes	143,097	157,409
Revenue generating units	10,618	12,840
Penetration	7.4%	8.2%
<b>Total Revenue Generating Units</b>	<b>114,006</b>	<b>116,576</b>
<b>RGUs per Customer Relationship</b>	<b>1.50</b>	<b>1.54</b>

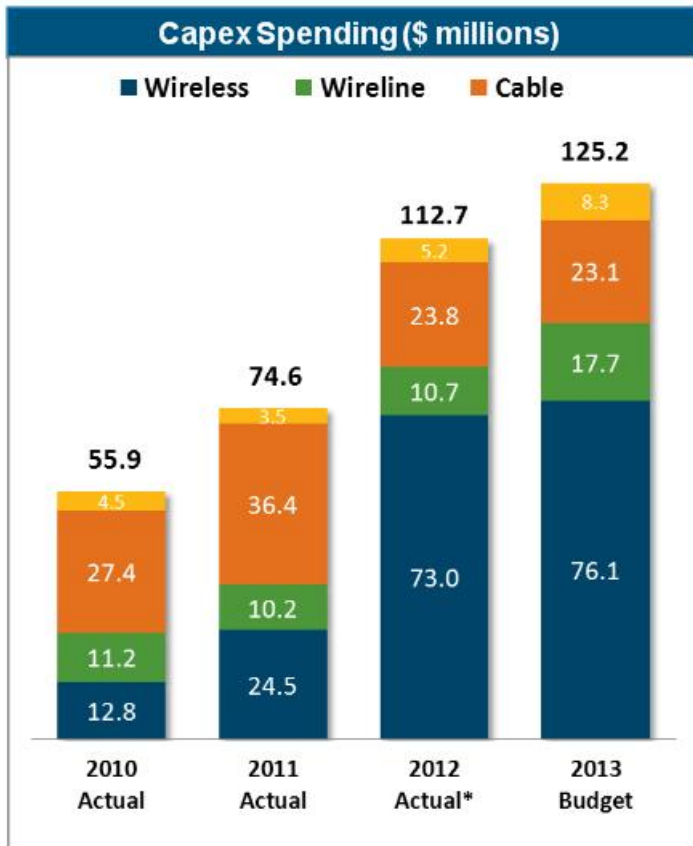
Note: Video homes passed includes 16K homes located in Shenandoah County, VA, where internet and voice services are provided by the Wireline segment.

## Key Operational Results - Wireline

- Access line loss of 2.6% in past 12 months
- Broadband penetration in LEC area at 57%
- 1.5% growth in DSL customers since 03/31/2012.
- Total connections at 03/31/13 of 34.9 thousand



# Investing in the Future



- Last Cable upgrade of 10,000 homes passed is underway and expected to be complete in 2013.
- Network Vision spend of \$55M in 2012. Budget of \$60M in 2013.
- Success-based spending is 23% of total 2013 budget.

\* Capex spending for 2012 included \$24.7 million of contracted commitments that was included in accounts payable at 12/31/12.

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# Q&A



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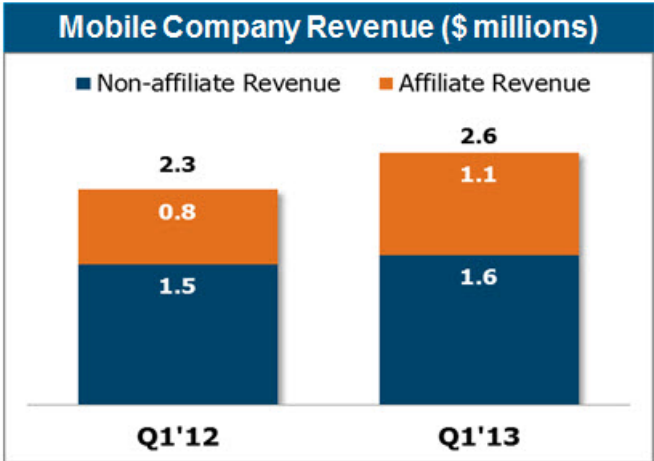
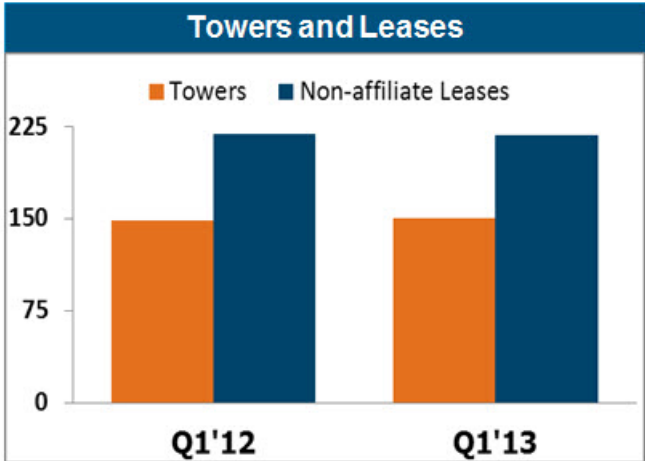
# Appendix

## Non-GAAP Financial Measure - Billed Revenue per Postpaid Subscriber

*Dollars in thousands (except subscribers and revenue per subscriber)*

<u>Gross billed revenue</u>	<u>1Q 2012</u>	<u>1Q 2013</u>
Wireless segment total operating revenues	\$ 42,669	\$ 48,157
Equipment revenue	(1,530)	(1,331)
Tower Lease Revenue	(2,251)	(2,562)
Prepaid Net Service Revenues	(6,985)	(8,907)
Other revenue	(485)	(199)
Wireless service revenue – postpaid	<u>31,418</u>	<u>35,158</u>
Discounts and Credits	4,355	4,035
Write-offs	1,529	1,621
Management fee	3,202	3,521
Service fee	4,803	5,280
Gross billed revenue – postpaid	<u>\$ 45,307</u>	<u>\$ 49,615</u>
Average postpaid subscribers	249,331	263,044
Billed revenue per postpaid subscriber	\$60.57	\$62.87

# Key Operational Results – Mobile Company



	<u>Q1'12</u>	<u>Q1'13</u>
<i>(in thousands)</i>		
Operating Income	\$1,090	\$1,288
Depreciation and Amortization	333	409
Share Based Compensation	4	5
<b>Adjusted OIBDA</b>	<b>\$1,427</b>	<b>\$1,702</b>



# Wireline Statistics - Fiber Sales (\$ millions)

